



NEWS RELEASE

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## **Car Donation Charity Agrees to Injunction in Consumer Protection Lawsuit**

Los Angeles County District Attorney Jackie Lacey and California Attorney General Xavier Becerra announced today that a Los Angeles-based car donation charity accused of soliciting vehicle donations using false and misleading advertising has entered a stipulated final judgment ordering its dissolution and other provisions.

In December 2015, a consumer protection lawsuit was filed against the People's Choice Charities by the offices of the California Attorney General and District Attorney. At the time of the filing, the lawsuit alleged the organization promised 100 percent of the proceeds from the sale of cars would be given to charities selected by the donors. However, an estimated 97 percent of funds were purportedly used toward administrative costs, including advertising, towing and car repairs.

"This settlement should serve as a warning to any other organization that takes advantage of the kindness of consumers," District Attorney Lacey said. "Donations generated through deceptive advertising take valuable resources away from legitimate charities."

The stipulated final judgment places a permanent injunction on Gary Stone, the nonprofit's president, barring him from serving as a director, officer, trustee or employee of any California charitable organization. Moreover, Stone is permanently enjoined from doing contract work with charities, holding any management or supervisory position or engaging in fundraising activities.

"Any time charities lie to consumers, they breach the public's trust," California Attorney General Becerra said. "I won't stand for that. As the chief law enforcement officer of California, I will vigorously investigate and prosecute any charity that deceives and exploits the goodwill of generous Americans."

Under the terms of the stipulated final judgment, People's Choice Charities also shall pay \$30,000 for the establishment of a fund with the California Community Foundation. The fund will support

charitable programs for the benefit of children. A payment of \$870,000 was stayed but may be enforced if the nonprofit violates the injunction.

The case was prosecuted by Deputy District Attorney Duke Chau of the Consumer Protection Division and Deputy Attorney General Sandra I. Barrientos.

### **[About the Los Angeles County District Attorney's Office](#)**

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.